

STATE OF VERMONT
PUBLIC SERVICE BOARD

SPECIAL CONTRACT APPROVAL

Re: S.C. #888

The special contract for TEMPORARY TRANSMISSION SERVICE between **Swanton Village, Inc. Electric Department** ("Swanton") and the **Vermont Public Power Supply Authority** ("VPPSA") beginning February 1, 2010, under the conditions set forth in the Contract and set forth herein is hereby approved. Under the special contract, filed as a Memorandum of Understanding, Swanton will provide temporary transmission service for VPPSA's peaking power generation plant described as "Project 10" .

In its filing, Swanton states that the special contract is intended to be temporary, pending review and approval of an Open Access Transmission Tariff ("OATT"). On January 22, 2010, Swanton filed the proposed OATT. The special contract will remain in effect until such time that the Vermont Public Service Board ("Board") makes a determination on the proposed OATT.

The special contract pricing is based on the same formulas and methodology presented in the proposed OATT. The special contract provides that if the rates ultimately approved as part of the OATT are lower than those charged under the special contract, Swanton will refund any amounts collected in excess of the approved OATT rates.

In a letter filed January 25, 2010, the Vermont Department of Public Service ("Department") recommended that the Public Service Board approve this special contract without investigation or hearing. The Department noted that its recommendation is significantly influenced by the refund provision in the special contract and by Swanton's intention to replace the special contract with an OATT.

Our approval of this special contract reflects our overall judgment that, as conditioned, it meets the strictures of 30 V.S.A. § 229. Except as specifically conditioned, our approval should not be construed as approval or disapproval of any of the specific negotiated terms, or as a determination that those terms are, or are not, cost-effective for the contracting customer or otherwise in the contracting customer's best interest.

Swanton shall provide a copy of this Board approval to the contracting customer within ten days.

DATED at Montpelier, Vermont, this 27th day of January, 2010.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

Filed: January 27, 2010

Attest: s/Susan M. Hudson

Clerk of the Board